

**THE FY 2003-2004 ADOPTED BUDGET
THE GENERAL FUND SUMMARY**

The General Fund provides for the basic services extended to all residents of the City, including public safety, streets and highways, environmental protection, recreation, library, social services and general administration. It also includes significant contributions to the operation of the Danville Public School System, Constitutional Officers, and other agencies and boards. Most General Fund services are non-revenue producing, thereby requiring use of the ad valorem property taxes and other General Fund related revenue sources to provide funding. The Utility Funds provide significant support of General Fund operations through interfund transfers.

The General Fund revenues are divided into the following categories:

- **Property Taxes** are one of the major revenue sources for the General Fund. The *Real Estate Tax* rate is 80 cents per hundred dollar valuation. *Personal Property Tax* is levied on motor vehicles and is currently set at \$3.00 per hundred dollar valuation (This tax is being phased out through the Personal Property Tax Relief Act adopted by the General Assembly in 1998 in which the state picks up a portion of this tax. The percentage was scheduled to increase each year until the state paid 100% of the 1998 tax rate. However, with the economic slowdown and other state budget concerns, the percentage for calendar year 2003 is 70% and the 2004 rate is yet to be determined.) *Machinery and Tools Tax* is set at \$1.50 per hundred dollar valuation and is imposed upon industry, and the *Public Service Taxes* represents taxable utility property within the City limits and is based on the assessed value set by the State Corporation Commission.
- **Other Local Taxes** are comprised of *Local Sales Tax* (1% local origin), *Business and Occupational License* (flat \$60 per business in addition to the current license tax), *Prepared Meals Tax* (4.5% on all prepared meals in the City), *Telephone Tax* (local tax on residential and business customers), *Consumer Utility Tax*, *Cable Franchise Fee*, *Motor Vehicle License Tax* (\$25 per vehicle registered in the City), *Bank Stock Tax*, and *Hotel/Motel Room Tax* (3%).
- **License, Permits and Fees** are directly linked to the local economy and reflect growth within the community. Separate permits for building, electrical, mechanical, plumbing and zoning are required as appropriate for any development.
- **Fines and Forfeitures** consist of five major categories: *District Court Fees*, *Juvenile Court Fees*, *Circuit Court Fees*, *Court Costs Fees*, and *Parking Tickets*. The various court fees represent court costs assessed against persons convicted in the Courts. Parking tickets are issued by the Police Department to violators of parking ordinances. The revenues from this source are used to help offset the higher costs of operating expenses for the Judiciary.
- **Revenues From Use of Money & Property** is comprised of three general categories as follows: *General Investments*: All of the City's funds are invested in investments authorized by state law with the intent to place the highest priority on security and return on investments second. Investments earnings are a function of the money marketplace and swings in the revenues reflect higher or lower interest rates. *Facilities Rentals*: This revenue group reflects the rental of recreational facilities and other municipal properties. *Other*: Includes the sale of supplies and small equipment.
- **Charges For Services** include the following revenue groups: *Adult Detention-City Jail*: The Commonwealth of Virginia reimburses the City for the housing of state inmates at the City's jail facility. *Adult Detention-City Farm*: The City receives reimbursement from the Commonwealth for the housing of local inmates at its adult facility. *Juvenile Detention-W.W. Moore Center*: The City receives reimbursement from the Commonwealth for state youths as well as reimbursement from other localities for housing their youth. *Opening/Closing Graves*: The City charges a fee of \$425 for opening and closing graves in the city owned cemeteries. Other sources of this revenue include recreation fees and library fees.
- **Transfers From Other Funds** represent transfers from the City-owned utilities and is a major source of income to the General Fund.

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- **Miscellaneous Revenues** consists of a variety of small revenues such as Private Gifts and Donations and Recoveries of costs for the Police Department, Social Services Bureau and Juvenile Detention Facility.
- **Recovered Costs** represent charges to other funds for support from general City departments.
- **Non-Categorical State Aid** is comprised of state aid that can be allocated at the discretion of the governing body and include ABC Profits, Wine Taxes, Recordation Taxes and State Aid to Localities.
- **Categorical State Aid (Shared Expenses)** provides revenues which cover a portion of the costs of the operations of constitutional offices (Commonwealth Attorney, Sheriff, Commissioner of Revenue and City Treasurer).
- **Categorical State Aid** provides funding for a variety of City and state functions, the largest categories being Street Maintenance funds and Welfare and Public Assistance funding.
- **All Other Sources** includes a number of smaller sources of revenue, which vary from year to year and cannot be planned on as a stable revenue source on a year to year basis.

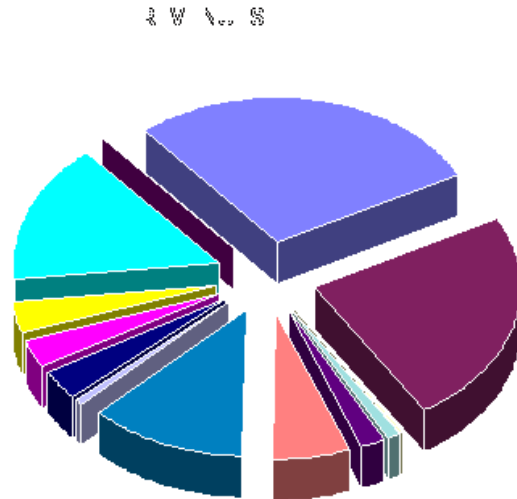
The General Fund is a complex fund providing a variety of services to the Danville community. Because of its diversity of services, the fund has been divided into several expenditure categories as follows:

- **General Government Administration** provides for City administration, financial management, human resources, legislative, and electoral activities.
- **Judicial Administration** provides for the operation of the criminal justice system
- **Public Safety** provides for police, fire, inspections, adult and juvenile detention facilities, and emergency services.
- **Public Works** provides for streets, storm drainage, public transportation, motorized equipment and sanitation services.
- **Health, Education, Welfare and Social Services** provide for various state programs for target populations and support of Danville Community College.
- **Parks, Recreation and Libraries** provide for recreational programs, park development and maintenance, cemeteries, tourism and historic preservation, and public libraries.

- **Community Development** provides for planning and zoning, general community development and housing, and economic development.
- **Non-Departmental** provides for general contingencies, debt service and employee benefits.
- **Transfers** provide General Fund support for public transportation, public schools, motorized equipment, capital projects, and grants.

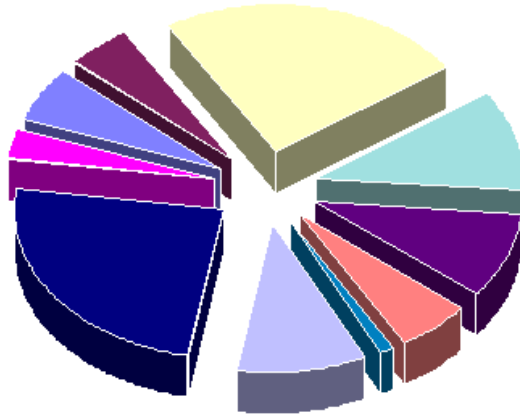
**THE FY 2003-2004 ADOPTED BUDGET
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	Council	City Mgr.			
	Adopted	Recommend	Budgeted	Actual	Actual
Revenues	FY 03-04	FY 03-04	FY 02-03	FY 01-02	FY 00-01
General Property Taxes	\$ 24,390,200	\$ 24,390,200	\$ 23,925,400	\$ 22,477,668	\$ 22,140,951
Other Local Taxes	20,506,000	20,506,000	19,460,000	18,972,636	19,056,000
Lic. Permits, Fees	235,700	235,700	194,450	186,303	184,599
Fines & Forfeitures	615,825	615,825	575,980	532,363	560,783
Rev. Use of Money/Prpty.	1,657,746	1,657,746	1,330,925	1,579,799	1,691,569
Charges for Services	5,221,453	5,221,453	4,872,110	4,806,498	4,247,947
Trans. From Other Funds	10,685,895	10,685,895	10,685,895	10,685,895	10,685,895
Miscellaneous Revenue	539,200	539,200	540,500	484,253	512,661
Recovered Costs	2,903,727	2,903,727	2,876,681	2,934,434	2,173,717
Non-Categorical State Aid	2,602,094	2,602,094	2,643,621	2,675,262	2,768,986
Shared Exp. - Cat. Aid	3,223,639	3,223,639	3,285,857	3,342,344	3,313,900
Categorical Aid- State	13,188,271	13,188,271	12,815,576	12,576,565	12,312,358
Payments in Lieu of Taxes	3,714	3,714	3,714	3,714	3,714
Categorical Aid- Federal	-	-	-	-	13,719
Other	76,000	76,000	76,000	101,577	156,539
Total	\$ 85,849,463	\$ 85,849,463	\$ 83,286,509	\$ 81,359,311	\$ 79,823,338



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100% of FY 03-04

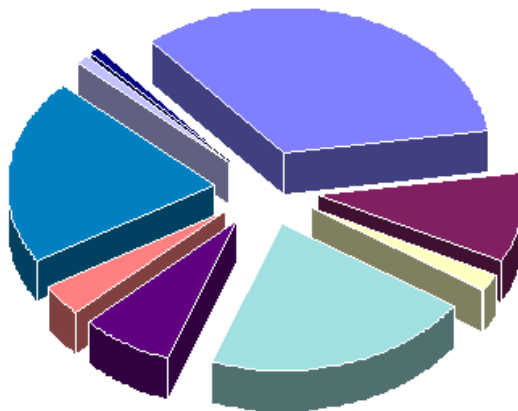


	Council Adopted FY 03-04	City Mgr. Recommnd FY 03-04	Budgeted FY 02-03	Actual FY 01-02	Actual FY 00-01
Expenditures by Function					
General Government Admin.	\$ 5,096,387	\$ 5,096,387	\$ 5,074,287	\$ 4,879,974	\$ 4,790,566
Judicial Administration	4,097,233	4,097,233	4,087,639	4,099,598	3,970,804
Public Safety	20,503,997	20,503,997	19,732,608	19,733,431	19,077,190
Public Works	9,618,375	9,618,375	9,357,919	9,822,759	9,818,395
Health, Education & Welfare	8,088,783	8,088,783	7,961,370	7,305,676	6,983,193
Parks, Recreation & Cultural	5,053,035	5,053,035	4,737,736	4,471,715	4,444,923
Community Development	994,864	994,864	943,649	903,412	748,237
Non-Departmental	8,504,143	8,504,143	8,210,263	7,056,465	6,705,419
Support of Schools (Oper & Debt Svc)	20,966,095	20,966,095	20,463,713	20,425,374	20,569,940
Transfer to Other Funds	2,926,551	2,926,551	2,717,322	3,055,794	8,890,220
Total	\$ 85,849,463	\$ 85,849,463	\$ 83,286,506	\$ 81,754,198	\$ 85,998,887

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	Council	City Mgr.			
	Adopted	Recommnd	Budgeted	Actual	Actual
Expenditures by Activity	FY 03-04	FY 03-04	FY 02-03	FY 01-02	FY 00-01
Personal Services	\$ 28,942,499	\$ 28,942,499	\$ 28,176,654	\$ 27,606,109	\$ 26,245,495
Fringe Benefits	8,470,501	8,470,501	8,523,910	7,209,278	6,735,837
Internal Services	1,710,253	1,710,253	1,657,158	1,409,828	1,418,687
Other Charges	18,074,524	18,074,524	17,047,939	16,736,497	16,516,140
Debt Service (includes School Debt)	6,337,888	6,337,888	6,488,476	5,856,058	6,007,750
Transfer to Other Funds**	2,926,551	2,926,551	2,717,322	3,055,794	8,890,220
Transfer to Schools (Operations)	17,819,000	17,819,000	17,619,000	18,597,470	18,653,895
Lease/Rental Expense	908,015	908,015	345,390	301,956	294,773
Capital Outlay**	660,232	660,232	710,657	981,208	1,236,090
Total	\$ 85,849,463	\$ 85,849,463	\$ 83,286,506	\$ 81,754,198	\$ 85,998,887
*Includes transfers to the Grant Fund for Comprehensive Services Act for 22nd District Court Services, Social Services and Schools.					
**Does not include budget for support of capital projects. The General Fund's support of capital projects is included in Transfers to Other Funds.					

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A copy of the City of Danville, Virginia Annual Budget for F/Y 2003-2004 and the Five Year Capital Improvements Plan for F/Y 2003-2004 may be reviewed at the Danville Public Libraries.